Setting up of export processing Zones

1054. SHRI PRITHIRI MAJHI: Will the Minister of COMMERCE be pleased to refer to the press report which appeared in 'Business Standard of February 5, 1989 on Export Processing Zones and state;

(a) whether it is a fact that the aims and objectives of setting up of Export Processing Zones were to encourage high technology and capital intensive projects;

(b) if so, how many projects have been set up which are not consistent with these objectives; and

(c) what steps are proposed to be taken *to* amend the rules and procedures so that the objectives oi Export Processing Zones are not abused?

THE MINISTER OF STATE: IN THE MINISTRY OF COMMERCE (SHRI P. R DAS MUNSHI): (a) and (b) The aims and objectives of Export Processing Zones include, inter *alia:* —

(i) Promotion of export oriented industries for earning foreign exchange.

(ii) Promotion of foreign' investment upgradation of technology, establishment of high technology industries and generation: of spinoff effects of ancillary industry development in the domestic tariff area.

(iii) Generation of employment and upgradation of sERs within and outside the Zone. The approvals accorded for establishment of units in the Zone have been consistent with these aima and objectives.

(O Does not arise.

Irregularities in sanctioning of Ioan

1055. SHRI VIRENDRA VERMA:

SHRI MOHINDER SINGH LATHER;

Will the Minister of FINANCE be pleased to state:

(a) in how many cases, if any, irregularities and gross misuse of authority in sanctioning loans indis-prmnately • to the beneficiaries through the loan melas by the nationalised banks have been detected till the end of December, 1988 stating the amount of loans involved and the percentage of the loans considered to be recoverable;

(b) whether any inquiry into the irregularities and indiscriminate sanc-toning of loans bas been made by Government; and

(c) if so, what is the outcome thereof stating the action taken/ proposed to be taken by Govem-ment against the bank officials found guilty of misusing then-authority in sanctioning the loans and also to review the loan mela programmes to identify deficiencies, if any, to check misuse of authority and to avoid losses?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAHIS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c) Public sector banks extend credit to weaker sections under various schemes and organise credit camps as Part of their overall measures to enhance flow of cedit to these categories of borrowers. The banks observe the guidelines/Instructions issued by the Reserve Bank of India from time to time regarding eligibility criteria, project appraisal and post sanction Bupervisiont as also recovery procedure etc., for all loan$_s$ given ov them whether at credit camps or otherwise. Central monitoring of the number of cases sanctioned and